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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 9, 2015

FedEx International Priority

Chris Staargaard
N.P.R. (US), Inc.
c/o Lithic Resources, LTD
912-510 West Hastings St.
Vancouver, British Columbia V6B1L8
Canada

Subject: Review of Reclamation Surety, Permit Fees, and Annual Reports; N.P.R. (US), Inc.;
Crypto Mine; S/023/0103; Juab County, Utah

Dear Mr. Staargaard:

This letter concerns the reclamation surety, permit fees, and annual reports for the Crypto mine.

Reclamation Surety

The last surety estimate for the Crypto mine was done in 2009 and escalated to 2014 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$41,330.00 to \$49,402.00 (three year escalation) or \$49,680 (five year escalation). The average reclamation costs are outlined below:

Small Mine Bond Calculation Worksheet, 3-Year Escalation			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	4	\$5,000.00	\$20,000.00
Mob/demob if >50 miles	1	\$1,400.00	\$1,400.00
Drill Hole Concrete Surface Plugs	13	\$210.00	\$2,730.00
Mob/de-mob for dry drill holes	1	\$650.00	\$650.00
Feet Wet Drill Hole Bentonite Plugs	2000	\$4.25	\$9,400.00
Mob/de-mob for wet drill holes	1	\$7,000.00	\$7,000.00
TOTAL			\$49,402.00

Small Mine Bond Calculation Worksheet, 5-Year Escalation			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	4	\$5,100.00	\$20,400.00
Mob/demob if >50 miles	1	\$1,400.00	\$1,400.00
Drill Hole Concrete Surface Plugs	13	\$210.00	\$2,730.00
Mob/de-mob for dry drill holes	1	\$650.00	\$650.00
Feet Wet Drill Hole Bentonite Plugs	2000	\$4.25	\$9,400.00
Mob/de-mob for wet drill holes	1	\$7000.00	\$7000.00
TOTAL			\$49,680.00

Please contact the minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional surety. Your current surety is in the form of a cash deposit. The amount of surety may be increased by submitting additional cash or by supplying a letter of credit, a certificate of deposit, or a corporate surety for either the full or the increased amount.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations (Notice) to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801-538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than September 11, 2015.

Permit Fee and Annual Reports

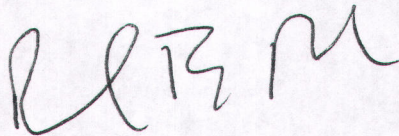
In addition, the Division has no record of receiving the permit fee for 2015 or an annual report for 2014 and 2015. The Division has billed you twice for the permit fee. If you believe the Division's records are in error, please supply evidence that the fee was paid. Authorization to conduct any mining operations is automatically suspended until the permit fee is paid. Failure to pay permit fees may also result in the Division withdrawing the Notice and requiring immediate reclamation, an action which the Division is not taking at this time.

Enclosed with this letter are copies of the annual report form. Please complete and submit them even if there was no production. Both the annual reports and permit fees are due January 31 each year. To avoid enforcement action, please provide these by July 31, 2015.

Page 3 of 3
Chris Staargaard
S/023/0103
July 9, 2015

Thank you for your cooperation. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions or concerns about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Mining Program Manager

PBB: whw: eb
Enclosures: Annual report forms and permit fee statement
P:\GROUPS\MINERALS\WP\M023-Juab\S0230103-Crypto-SMO\final\ESCAL-07072015.doc



Gary R. Herbert
Governor
MICHAEL R. STYLER
Executive Director
JOHN R. BAZA
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

N.P.R. (US), INC.
C/O LITHIC RESOURCES LTD
912-510 W HASTINGS ST
VANCOUVER BC CANADA V6B 1L8

ATTENTION: CHRIS STAARGAARD

ANNUAL PERMIT FEE

Annual Permit Fees for Jan 2015 thru Dec. 2015

SITE NAME	PERMIT ID	ACRES	BILLING DATE
CRYPTO-SMO	S230103	NA	01/20/2015
PERMIT TYPE	PERMIT STATUS	ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	ACTIVE	\$ 150	

DUE DATE	AMOUNT DUE
07/31/2015	\$ 150

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME	PERMIT ID
N.P.R. (US), INC.	CRYPTO-SMO	S230103

DUE DATE	ANNUAL FEE	AMOUNT DUE	<input type="checkbox"/> FEE ENCLOSED	<input type="checkbox"/> FEE NOT ENCLOSED*
07/31/2015	\$ 150	\$ 150		

Approval to mine or conduct exploration is automatically withdrawn if annual permit fees are not paid by the date due.

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

If reclamation is complete, please submit form MR-SITE to request either a full or partial release. The permit fee is not required if the entire site has been regraded and seeded; The Division will verify the reclamation work.
Forms and other permit-related information are available on the Web at <http://ogm.utah.gov/minerals> or you can call (801) 538-5291 for more information.

Please make check payable to:
Division of Oil, Gas and Mining

7/10/2015

FedEx Ship Manager - Print Your Label(s)

From: (801) 538-5304
Emily Berry
Division Oil Gas Mining
1594 West North Temple Suite 1210

Origin ID: NPHA



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SALT LAKE CITY, UT 84116
UNITED STATES

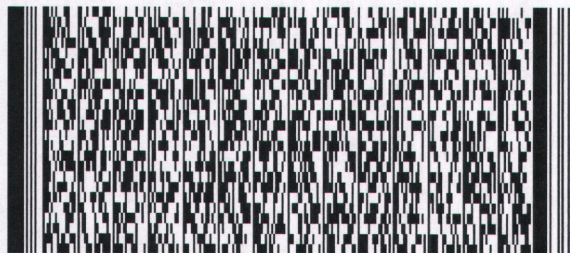
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DESC-2:
DESC-3:
DESC-4:
EEI: NO EEI 30.36
COUNTRY MFG: US
CARRIAGE VALUE: 5.00 USD
CUSTOMS VALUE: 5.00 USD
T/C: S 305939820 D/T: S 305939820
SIGN: Emily Berry
EIN/VAT:
PKG TYPE: ENV

SHIP TO: (604) 687-7211
Chris Staargaard
N.P.R. (US) Inc
912-510 W Hastings St

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